

Sixty-eighth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1216

Introduced by

Representative Nathe

1 A BILL for an Act to amend and reenact sections 10-30.5-01 and 10-30.5-02 of the North
2 Dakota Century Code, relating to the purpose and use of funds in the North Dakota
3 development fund; and to repeal section 10-30.5-13 of the North Dakota Century Code, relating
4 to the North Dakota development fund small business technology investment program.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 10-30.5-01 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **10-30.5-01. Definitions.**

9 As used in this chapter, unless the context otherwise requires:

- 10 1. "Board of directors" means the board of directors of the corporation.
- 11 2. "Corporation" means the North Dakota development fund, incorporated, established
12 under this chapter.
- 13 3. "North Dakota business" means a business owned by a North Dakota resident,
14 partnership, association, corporation, or limited liability company domiciled in this state
15 or a corporation or limited liability company, including a wholly owned subsidiary of a
16 foreign corporation or limited liability company that does business primarily in this state
17 or does substantially all of its production in this state.
- 18 4. "Primary sector business" has the meaning provided in section 1-01-49 and includes
19 tourism but does not include production agriculture.
- 20 5. "Production agriculture" means the production of crops and livestock on or near a farm
21 as part of the regular farm enterprise directed by a farm operator and the farm
22 operator's partners. The term does not include an investor-owned livestock feeding or
23 milking operation located apart from a farm headquarters which is managed by
24 employees.

1 **SECTION 2. AMENDMENT.** Section 10-30.5-02 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **10-30.5-02. Purpose and fund uses.**

- 4 1. It is the purpose of this chapter to create a statewide nonprofit development
5 corporation that will have the authority to take equity positions in, to provide loans to,
6 or to use other innovative financing mechanisms to provide capital for new or
7 expanding businesses in this state, or relocating businesses to this state. The
8 corporation's principal mission is the development and expansion of **primary sector**
9 business in this state. The corporation may form additional corporations, limited
10 liability companies, partnerships, or other forms of business associations **in order** to
11 further its mission of **primary sector** economic development.
- 12 2. The exclusive focus of this corporation is business development in this state; however,
13 it is not excluded from participation with other states or organizations in projects that
14 have a clear economic benefit to state residents in the creation of jobs or secondary
15 business. Emphasis should be to develop jobs that provide an income adequate to
16 support a family above the poverty level.
- 17 3. Moneys in the development fund may be used to provide working capital or for
18 financing the purchase of fixed assets but not to refinance existing debt. Moneys may
19 also be used to make matching grants to county-authorized or city-authorized
20 development corporations for the acquisition, leasing, or remodeling of real estate
21 facilities for locating a prospective new **primary sector** business. A grant must be made
22 as part of a package of financing in which the state is a participant.
- 23 4. The commissioner of commerce shall adopt rules, subject to the approval of the board
24 of directors, necessary to implement the administration of the fund. The rules to
25 implement the grant program must be developed to encourage local fundraising
26 initiatives for developing locations for businesses financed by the corporation.
- 27 5. Moneys in the development fund may be used to provide financing to early childhood
28 facilities licensed under chapter 50-11.1. Moneys also may be used to make grants or
29 loans to match grants or loans made by county-authorized or city-authorized
30 development corporations, job development authorities created under chapter 11-11.1
31 or 40-57.4, and regional planning councils for acquiring, leasing, or remodeling of real

1 estate facilities or for acquiring equipment for establishing or expanding a licensed
2 early childhood facility. In providing financing under this subsection, the corporation
3 shall ensure funds are distributed fairly among for-profit early childhood facilities,
4 nonprofit early childhood facilities, and public early childhood facilities. An award under
5 this subsection may not exceed one ~~hundred thousand~~ million dollars per award.

6 **SECTION 3. REPEAL.** Section 10-30.5-13 of the North Dakota Century Code is repealed.